

CITY OF HUNTINGTON PARK

Community Development Department Oversight Board Agenda Report

January 25, 2016

Honorable Chair and Members of the Oversight Board to the Successor Agency
of the City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the Oversight Board to the Successor Agency of the
Community Development Commission of the City of Huntington Park:

RESOLUTION APPROVING AN ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY FOR THE FISCAL YEAR PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017

IT IS RECOMMENDED THAT THE SUCCESSOR AGENCY:

Adopt a Resolution approving an administrative budget for the Successor Agency
for the fiscal year period of July 1, 2016 to June 30, 2017.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Redevelopment Dissolution Law requires the Successor Agency to prepare an administrative budget and a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period, both of which must be submitted to the Oversight Board for approval. Staff has prepared ROPS 16-17 for the Oversight Board's approval at this meeting as a separate agenda item. Staff recommends that the Board also approve Administrative Budget 16-17 on the same date as the Board's approval of ROPS 16-17.

The Redevelopment Dissolution Law is unclear regarding the required timing for the submission of the proposed administrative budget to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the ROPS, Administrative Budget 16-17 and the ROPS for the same period ("ROPS 16-17") should be consistent.

The Oversight Board must take action by resolution and must provide the State Department of Finance (DOF), by electronic means, written notice and information about the Oversight Board's action. It is important to note that the

The attached administrative budget provides additional information regarding personnel costs, benefits, indirect expenses, legal fees totaling \$185,461 (16-17A \$97,976 + 16-17B \$87,484). General administrative personnel expenses are costs associated with the general administration and operations of the

RESOLUTION APPROVING AN ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY FOR THE FISCAL YEAR PERIOD OF JULY 1, 2016 THOROUGH JUNE 30, 2017

January, 2016

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Successor Agency (i.e. preparation and payment of obligations listed in the ROPS, preparation of agendas, minutes, and staff reports for meetings with the Successor Agency and Oversight Board, etc).

FISCAL IMPACT/FINANCING

The Redevelopment Dissolution Law provides for the Successor Agency to receive an Administrative Cost Allowance of not less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The allowances are subject to reduction if there are insufficient funds to pay the Successor Agency's enforceable obligations. If funds are available after meeting all payments listed in the ROPS, the Successor Agency will reimburse the general fund for administrative expenses incurred by the City.


FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the Redevelopment Dissolution Law, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount shall not be less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS. The Successor Agency is required to submit each proposed administrative budget to the Oversight Board for its approval and then to the County Auditor-Controller and DOF for final approval.

CONCLUSION

Upon approval, the Administrative Budget will be forwarded to the County-Auditor Controller and DOF.

Respectfully submitted,



JAN MAZYCK
Interim Finance Director

Attachments:

A. Resolution

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**A RESOLUTION OF THE OVERSIGHT BOARD OF DIRECTORS FOR THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HUNTINGTON PARK APPROVING A
PROPOSED ADMINISTRATIVE BUDGET FOR THE FISCAL PERIOD
FROM JULY 1, 2016 THROUGH JUNE 30, 2017 AND TAKING CERTAIN
RELATED ACTIONS**

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the Community Development Commission of the City of Huntington Park (the “Successor Agency”) must prepare a proposed administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed administrative budget to the Oversight Board for the Successor Agency (the “Oversight Board”) for approval.

B. Pursuant to Health and Safety Code Section 34177(o), for fiscal year 2016/2017 and thereafter, the Recognized Obligation Payment Schedule shall be submitted on an annual basis, such that the administrative budget must be listed for the entire fiscal year period.

C. There has been presented to this Board for approval a proposed administrative budget for the Successor Agency for both six-month periods with the fiscal period from July 1, 2016 through June 30, 2017 (“Administrative Budget 16-17”).

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON
PARK, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the proposed Administrative

1 Budget 16-17 substantially in the form attached hereto as Exhibit A.

2 Section 3. The staff of the Successor Agency is hereby directed to provide the
3 State Department of Finance (“DOF”) written notice and information regarding the action
4 taken by the Oversight Board in Section 2 of this Resolution. Such notice and information
5 shall be provided by electronic means and in a manner of DOF’s choosing.

6 Section 4. The officers of the Oversight Board and staff of the Successor Agency
7 are hereby authorized and directed, jointly and severally, to do any and all things which they
8 may deem necessary or advisable to effectuate this Resolution.

9 **PASSED, APPROVED AND ADOPTED** this 25th day of January 2016.

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11 _____
12 Chair

13 ATTEST:

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17 _____
18 Estevan Padilla, Deputy Clerk
19 Los Angeles County Board of Supervisors
20 Acting as Secretary to the Huntington Park Oversight Board
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EXHIBIT A**16-17A**
July 1, 2016 - December 31, 2016

Staff (Salaries & Benefits)	Hrs	% of Salary	Amount
Executive Director	-	0%	-
Finance Director	208	10%	20,611
Finance Manager	104	5%	5,700
Community Dev Director (Vacant)	-	0%	-
Economic Development Manager	208	10%	14,681
Finance Assistant II	166	8%	5,000
Project Manager	208	10%	13,227
Senior Accountant	83	4%	3,758
Subtotal			62,976

Successor Agency Legal Fees	17,500
Oversight Board Legal Fees	17,500
Subtotal	35,000

16-17 A Total	97,976
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16-17B
January 1, 2017 - June 30, 2017

Staff (Salaries & Benefits)	Hrs	% of Salary	Amount
Executive Director	-	0%	-
Finance Director	187	9%	18,550
Finance Manager	83	4%	4,560
Community Dev Director (Vacant)	-	0%	-
Economic Development Manager	187	9%	13,213
Finance Asst II	125	6%	4,500
Project Manager	187	9%	11,904
Senior Accountant	83	4%	3,758
Subtotal			56,484

Successor Agency Legal Fees	15,500
Oversight Board Legal Fees	15,500
Subtotal	31,000

16-17B Total	87,484
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ROPS 16-17 Admin Expenses	185,461
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Administrative Budget 16-17

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1 STATE OF CALIFORNIA)
2 COUNTY OF LOS ANGELES) SS
3 CITY OF HUNTINGTON PARK)

4 I, Estevan Padilla, DO HEREBY CERTIFY that the foregoing Oversight Board
5 Resolution No. OSB 2016- 04 was duly adopted by the Oversight Board and approved by
6 the Chair at a meeting of said Oversight Board held on the ___th day of January 2016 and
7 that it was so adopted as follows:

8
9 AYES:

10 NOES:

11 ABSENT:

12 ABSTAINING:
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16 _____
17 Estevan Padilla, Deputy Clerk
18 Los Angeles County Board of Supervisors
19 Acting as Secretary to the Huntington Park Oversight
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